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Leadership During Challenging Economic Times

No day passes by without all the news media reporting on the economic crisis and its effects on businesses, employees and the long term effects on the economy. There is no doubt that these constant negative reports can lead to increased stress and panic in the workplace - neither of which tends to lead to improved business results such as customer service or profitability. During these challenging economic times, there is an URGENT need for leadership. Yet, typically, the leaders are challenged to provide the needed leadership, as they are typically under exaggerated levels of stress during these turbulent economic times as well. Those companies that have the rare, exceptional leaders prepared to surmount these challenges will thrive. What qualities do these rare, exceptional leaders have?

First, exceptional leaders will increase communication with employees, customers, suppliers etc. Employees will become more concerned during challenging economic times about a myriad of issues - their job security, their retirement savings, etc. They will be starved for information - how is the company doing? What is the vision? How can each person contribute to the vision and bottom line? The same is true for customers and suppliers - although the questions are different, they are just as important to the company's success. It is critical that the leaders prioritize these communications. In my experience, leadership is even busier when under economic pressures; however, this is exactly when it is most critical to take the time to communicate. Also, leaders worry that they do not have all the answers, are afraid to communicate the hard facts and cannot communicate everything they know (and so don't want to risk the subject arising). Do not worry about it. Communicate what you know (be upfront on what you cannot communicate), face the hard facts head on, and don't worry about having all the answers. In my experience, you build trust by communicating frequently, upfront and with facts. It will be appreciated and success will follow.

Second, clear goals and priorities are critical. When leaders are able to convey clear goals and priorities, how those goals and priorities will help the company improve profitability, cash flow and/or ensure customer loyalty, and how each team and/or employee contributes to these results, employees will rise to the challenge and accomplish amazing feats. Instead of being distracted by worry over what is going to happen in the uncertain economic times, the employee can replace that worry with tangible actions that can contribute directly to success. Again, in order to achieve this priority, leaders need to spend additional time focused on employees during these uncertain times. Although it might seem impossible, spend the extra time on your people - outsource, delay or stop other tasks and focus on the guaranteed return on investment, your people.

Third, value diversity and utilize strengths. A team can accomplish far more than any one person, even the most productive employee. Value diversity - the more diverse the skillsets of your team members, the better equipped the team will be to succeed. Typically, the more diverse your team's skillsets, the more potential you'll have for debate (which could be another time consumer and a bit uncomfortable); however, the benefits far outweigh the costs. Similarly to a cross-trained line crew, a diverse team has a greater degree of flexibility and creativity in proactively handling change and turning potential issues and obstacles into opportunities. Additionally, if the team leverages each person's strengths to achieve a common end goal/ result, significant results will occur.

Lastly, exceptional leaders remember and value execution. Focusing decisions and priorities on those that produce results sounds obvious but is often overlooked - it is easy to get caught up in great-sounding ideas that are highly complex and resource and/or capital intensive to implement. Remember "Occam's Razor" - in essence, all other things being equal, the simple solution is often the best one (and most profitable).

These qualities are not expensive in terms of capital or resources. Yet, when I've seen these four factors combined, unanticipated, significant success is often achieved. No matter your level within the organization, you can have an impact. Invest some time and give it a try.

Lisa's Tips: Customer Collaboration

Customer collaboration is always a good idea; however, leveraging customer collaboration during challenging economic times can be one of the keys to success.

1. Pick up the phone - some of the largest successes I've seen result from simple yet critical conversations. It can be as simple as calling a customer to discuss current business and to stay in touch.
2. Win-win - remember to look for win-win opportunities in your conversations / meetings with your customers. Two heads are typically better than one - take advantage of already existing relationships to find win-win opportunities to increase business/ profitability.
3. Watch trends - although elaborate forecasting programs can result in increased business and/or improved efficiencies throughout the supply chain, watching and proactively managing to a simple trend line can many times be just as effective.
4. Joint programs - there are many opportunities to develop programs with your customers to share freight/ transportation costs, improve service to your joint end customers (if applicable), collaborate on packaging opportunities, improve efficiencies, tightly manage inventory, etc.
5. Think about value - instead of focusing on selling, think about how to provide value to your customers. How can you add value to your customer's business? Focus on providing value and you'll likely end up with win-win results.

Recommended Reading

"[*The Five Dysfunctions of a Team: A Leadership Fable*](#)" by Patrick Lencioni - it is an entertaining fable written about the dysfunctions of teams. I thought it was an easy-to-understand, pragmatic and enjoyable read about teamwork. It boils the subject down to a few, key points.

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